THE REPORT OF SIR ARTHUR DUCKHAM MINORITY REPORT OF THE BRITISH COAL COMMISSION.

Asquisition of Mineral Rights.

The whole of the mineral rights of Great Britain should be acquired by the State, the value of such rights being estimated in each case on the same basis as adopted by the Inland Revenue in assessing ownership of minerals for death duties (the evidence of the witnesses from the Inland Revenue Department clearly shows the principles), due regard being given to the change in value of money owing to the war, increased taxation (with the exception of the Excess Mineral Rights Duty), etc. No increased value should be given in cases where it can be shown that mineral owners have used improper pressure to obtain royalties above those commonly obtained or in the case of sliding scale royalties which have become excessive through war conditions. Compensation should preferably be paid in the form of annuities, as suggested in Mr. Walter Leaf's evidence.

Ministry of Mines.

A Ministry of Mines should be set up, which should, at a later date, form one of a group of Ministries attached to a Ministry of Industry. The duties of the Ministry of Mines should be (inter alia)—

(a) To supervise and control all mineral rights throughout Great Britain and to ensure the proper working of all minerals.

(b) To ensure the making of a complete geological survey (including the systematic proving of all coal areas) of the whole country.

(c) To be responsible, through its inspectors, for the proper equipment and running of mines to ensure safety.

(d) To initiate and, if necessary, carry out research for the improvement in the conditions of those working in and about mines, better methods of winning coal, etc.

(e) To undertake the study of the special diseases of underground workers and to initiate special treatment.

(f) To exercise any control of the industry which a national emergency may render necessary.

(g) To advise the Minister of Labor as to the special conditions present in the coal industry.

(h) To co-operate with any Government Department set up for the conservation of fuel.

Area Commission.

A Commission assisted by experts acquainted with the various districts should at once be set up to decide the areas into which the country should be divided (all mining interests in each of such areas being amalgamated) in order to obtain the best economies and efficiencies in the winning and working of coal. The areas should not be larger than necessary to ensure:—

(a) The most efficient draining and pumping for the whole area.

(b) The most rapid transport of the coal to the surface and the miner to his work.

(c) The obtaining and distribution of power from one centre.

(d) The prevention of waste of coal by artificial barriers, etc.

(e) The proper handling of the various classes of coal produced in the area.

Unification.

It is essential that all the colliery interests in the areas specified should be amalgamated in order to obtain proper working. The amalgamated interests would be granted a lease by the Crown to work coal and other necessary minerals.

Method of Unification.

It is possible to prepare a variety of schemes to attain the primary object of unification in areas, but the following proposals are made to illustrate the intention. The proposals assume the discontinuance of the present system of control.

The whole of the mining interests in each area should be amalgamated into a Statutory Company (hereinafter called "a District Coal Board.")

(a) The total par value of the shares issued by any Board shall not be greater than the total value of the various amalgamated interests as going concerns at the present time, but valued at 1914 prices, due allowance being made for capital expenditure since that date at enhanced prices.

(b) The shares of the District Coal Board should be of one class only and should be entitled to a minimum rate of dividend of 4 per cent which should be guaranteed by the Government.

(c) Profits in excess of those necessary to pay the 4 per cent dividend and usual depreciations may be utilized—(i.) to form such reserve funds as may be approved by the Minister of Mines. (ii.) To pay a further 2 per cent dividend.

Of the remaining profits one-third may be utilized for paying further dividend on shares, but the other two-thirds must be used to reduce the price of coal.

The above proposals for the division of profits do not preclude a bonus on profits being paid to the managerial and clerical staff. This would correspond to the bonus in output proposed below for the manual workers.

Government Right to Take Over a District Coal Board.

The Government shall have the right to take over the shares of any District Board, should the Board have called upon the Government in four years out of a consecutive seven years to make advances to pay the guaranteed dividend and the Board failed to repay within seven years any advances made. The compensation to be paid by the Government for the shares so acquired should be based upon the profits earned by the undertaking during such seven years.

Board of Directors.

The number of directors on each Board should be not less than seven. All except three of the directors should be appointed in the ordinary way by the shareholders. Of such three directors, one should be elected by ballots of the agents, managers and undermanagers, and two by ballot of the workpeople engaged in the area.

Government Representative.

The Government, as owner of all minerals in the area, should appoint a competent mining engineer to safeguard the interests of the State. He should have the right to attend directors' meetings when he desires to do so, but should have no voting power.

Agents, Managers, and Undermanagers Representatives.

The agents, managers, and undermanagers have and will continue to have legal obligation for the proper and safe running of mines. They, therefore, should be represented on the Board of Directors. Their expert advice would be invaluable.